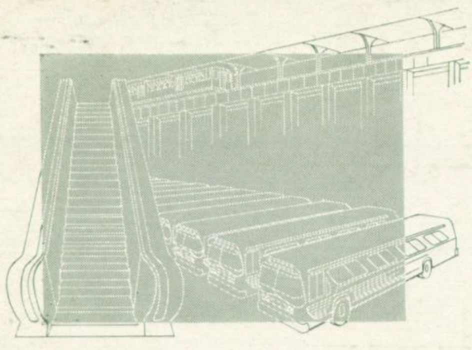

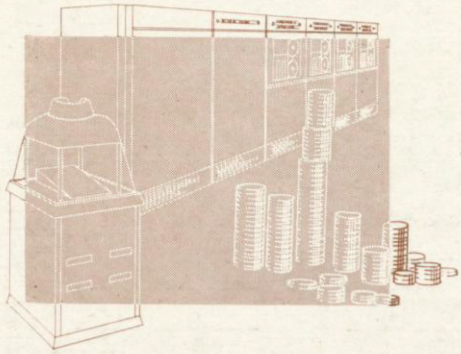

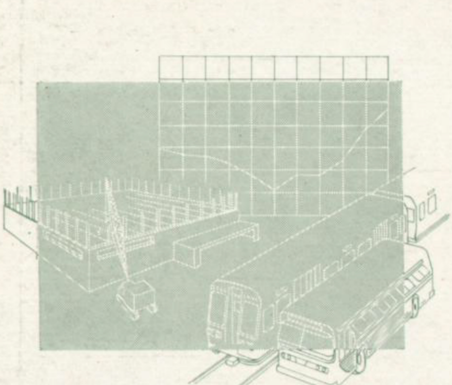

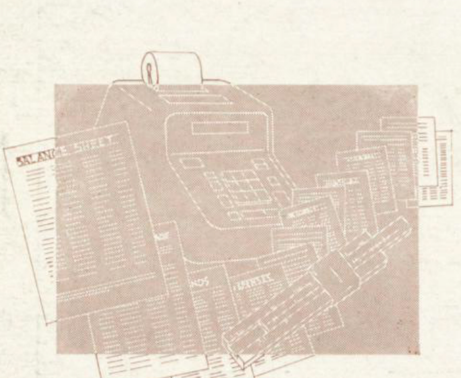
BALANCE SHEET

BOARDS

1965 ANNUAL REPORT

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CHICAGO TRANSIT AUTHORITY

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CHICAGO TRANSIT AUTHORITY

TWENTY-FIRST ANNUAL REPORT

For the Fiscal Year Ended December 25, 1965

THE YEAR IN BRIEF

FINANCIAL SUMMARY

	1965	1964
Passenger Revenues (Exclusive of Charter Service)	$135,789,599	$131,117,302
Other Revenues	3,101,881	3,026,894
Total Revenue	138,891,480	134,144,196
Total Operating Payroll (including employe benefits)	95,109,524	90,803,744
Provision for Injuries and Damages	7,536,349	8,618,183
Other Operating and Maintenance Expenses	17,767,848	16,508,553
Total Operation and Maintenance Expenses	120,413,721	115,930,480
Debt Service Requirements	8,084,812	8,072,807
Provision for Depreciation—Current Period	11,111,318	10,731,536
Balance Available for Other Charges or (Deficit in Depreciation Provision)	(718,371)	(590,627)
Carry-Over of Prior Year's Deficiency	(351,022)	239,605
Balance Available for Other Charges or (Deficit in Depreciation Provision)	$ (1,069,393)	$ (351,022)

OPERATING SUMMARY

	1965	1964
Originating Revenue Passengers—		
Surface System	388,076,702	379,251,204
Rapid Transit System	114,597,086	111,218,011
Combined System	502,673,788	490,469,215
Revenue Car and Bus Miles—		
Surface System	111,067,942	108,584,240
Rapid Transit System	44,349,196	44,080,246
Combined System	155,417,138	152,664,486
Passengers Carried per Mile Operated—		
Surface System	3.49	3.49
Rapid Transit System	2.58	2.52
Combined System	3.23	3.21
Population of Chicago	3,534,000	3,534,000
Rides per Capita	142	139
Number of Active Employes at December 25	12,188	12,491

( ) Denotes red figures.

FOR IMMEDIATE RELEASE

Over 12 million more passengers rode Chicago Transit Authority service in 1965 than in 1964, according to the 1965 CTA annual report.

Continued service improvements, new rapid transit and surface operating equipment, and improved economic conditions in the Chicago area were the major factors contributing to this upswing in riding.

Total revenues for the year amounted to $138,891,480, an increase of $4,747,284 (3.54 per cent) over the previous year. This resulted from the additional patronage plus an increase in the use of 5-cent transfers and a $1,300,000 reimbursement from the State of Illinois for transporting school children at a reduced rate of fare. Charter Service revenues for the year increased $132,744, for a total of $613,381.

Total originating passengers were 502,673,788, an increase of 12,204,573, or 2.49 per cent over the previous year. Of this total, 388,076,702 originated on the surface system, and 114,597,086 started their trips on the rapid transit system. This represents an increase of 3.04 per cent on the rapid transit and 2.33 per cent on the surface.

Despite operating economies in controllable expenses, total operating and maintenance costs amounted to $120,413,721, an increase of $4,483,241 over 1964. Sufficient revenues remained available to meet all debt service requirements, but fell $718,371 short of meeting the total depreciation requirement. This, together with a $351,022 deficiency carried over from the previous year, resulted in a total deficiency of $1,069,393 in the depreciation fund at the end of fiscal 1965.

(MORE)

A new passenger safety record was established in 1965. The number of passenger accidents during the year was the lowest in the Authority's history, despite the worst weather conditions during a first quarter in 20 years.

Several important improvement projects were started or completed in 1965:

1. The modern Tech-35th station on the North-South route, and the new Peoria street station on the West-Northwest route serving the Chicago Circle Campus of the University of Illinois, were officially opened.

2. On the Lake rapid transit route, work began on the installation of the most modern rapid transit signaling system available. This work is expected to be completed in late 1966.

3. The conversion of Harding substation, the first of 19 such stations to be changed from 25-cycle to 60-cycle power and to automatic operation, was completed.

4. The Logan Square terminal of the West-Northwest route was remodeled and an escalator installed there to facilitate passenger movements.

5. Four additional storage tracks were laid in the Lake-Harlem yard and construction of a new inspection shop was started at this location.

6. An automatically-operated interlocking plant was installed at the 59th street junction of the North-South rapid transit route where the Englewood and Jackson Park branches diverge.

7. Archer avenue garage was remodeled and additional bus servicing facilities were provided.

(MORE)

Patronage on the Skokie Swift route continued to increase and, during the year, a weekday high record was established when 7,765 persons used the service.

There were 12,392 employes in service at the end of 1965, a decrease of 255 from December, 1964. At year's end there were 5,468 retired CTA employes receiving pension benefits.

Chicago Transit Authority's fiscal year is comprised of 13 four-week periods. The 1965 fiscal year ended December 25, 1965.

##########

FROM: CHICAGO TRANSIT AUTHORITY
DEPARTMENT OF PUBLIC INFORMATION
F. C. KNAUTZ, DIRECTOR
MDSE. MART PLAZA, P. O. BOX 3555
CHICAGO, ILLINOIS 60654
TELEPHONE: MOhawk 4-7200

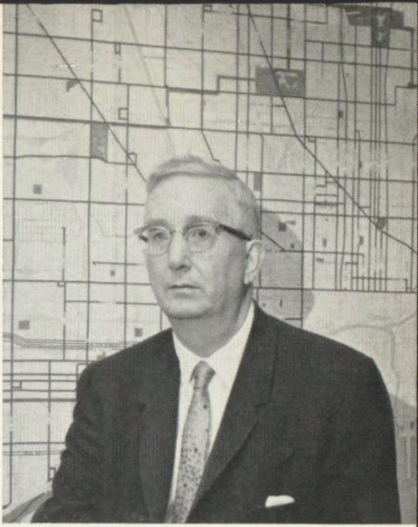
8-29-66

CHICAGO TRANSIT BOARD

SEP 2 6 1966 Co

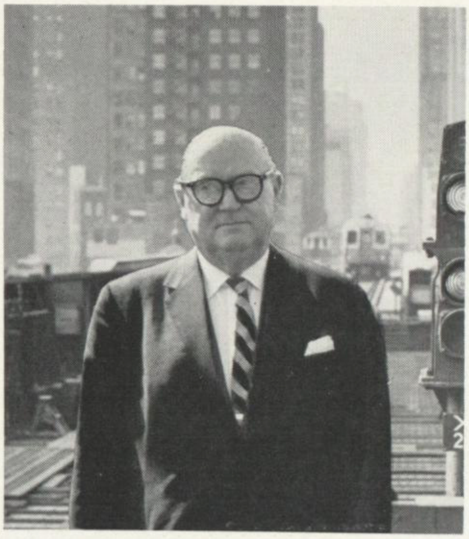
SHUTTLE SERVICE

James R. Quinn, ***Vice Chairman***
(M) Term Expires August 31, 1971

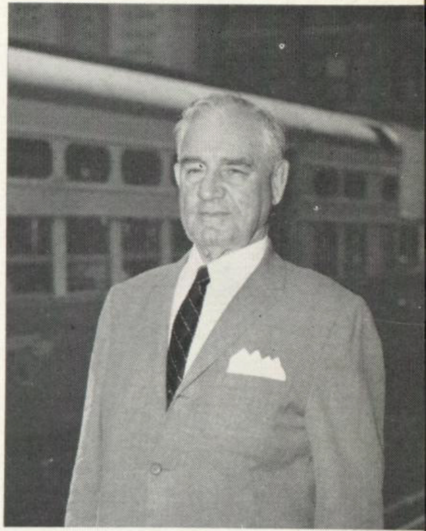


William W. McKenna, ***Secretary***
(M) Term Expires August 31, 1967

George L. DeMent, ***Chairman***
(M) Term Expires August 31, 1966



Joseph D. Murphy
(M) Term Expires August 31, 1965*



Raymond J. Peacock
(G) Term Expires August 31, 1968

James E. Rutherford
(G) Term Expires August 31, 1969

Mrs. Bernice T. Van der Vries
(G) Term Expires August 31, 1970

M—Appointed by the Mayor of the City of Chicago.
G—Appointed by the Governor of the State of Illinois.
*—Continues to serve until a successor has been appointed and has qualified.

THOMAS B. O'CONNOR, ***General Manager***

WILLIAM J. LYNCH. ***General Attorney***

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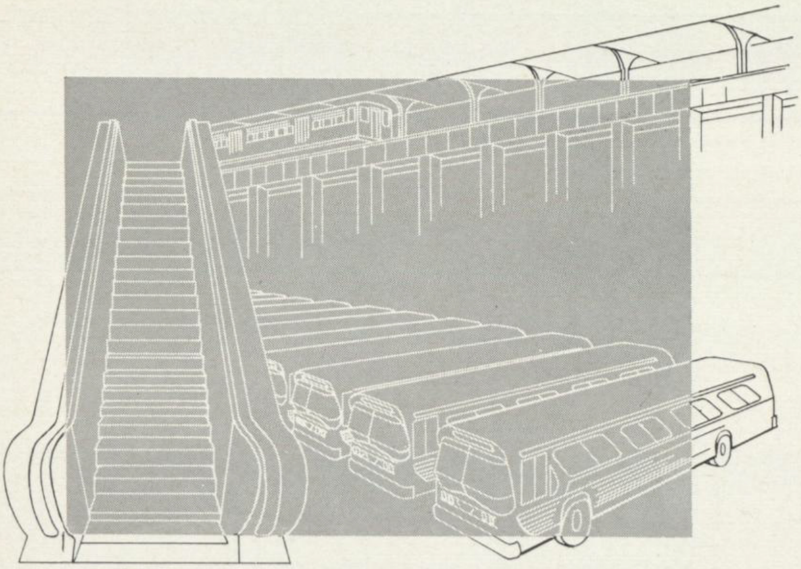


OPERATIONS REVIEW

Riding Trends

Employment in the Chicago area increased during 1965 and helped reverse the downward trend in riding which had formerly prevailed. An increase in revenue passengers resulted in the last quarter period of 1964 and continued during 1965. A full year of operation of the Skokie Swift line, new air-conditioned, high-performance 2000-series cars on the Lake and West-Northwest Rapid Transit routes, the addition of 250 new buses and improved economic conditions in the Chicago area contributed to the upswing in riding. Details of originating revenue passengers by four-week periods, arranged in approximate quarter years, for 1965 and 1964, are shown in the following table:

	Originating Revenue Passengers		Increase	
Pericds	1965	1964	Number	Per Cent
1, 2, 3	114,355,348	113,093,037	1,262,311	1.10
4, 5, 6	117,782,144	114,487,094	3,295,050	2.88
7, 8, 9, 10	149,720,349	145,824,175	3,896,174	2.67
11, 12, 13	120,815,947	117,064,909	3,751,038	3.20
THIRTEEN PERIOD YEAR	502,673,788	490,469,215	12,204,573	2.49

Opened February 22, 1965, the new Peoria street entrance to the U of I-Halsted station on the West-Northwest rapid transit route serves the University of Illinois Chicago Circle campus on Chicago's near West Side.

The competitive strength of the grade-separated Rapid Transit system and the riding public's preference for high-speed service on grade-separated right-of-way is indicated by the fact that the 1965 passenger increase on the rapid transit system was 3.04% as contrasted to a 2.33% increase on the surface system. Each year since 1948 has shown a progressively greater portion of total revenue passengers patronizing the rapid transit system, except in 1963, when weather conditions hampered operations.

The annual riding volume for the 18 years of Authority operation is shown in the table below.

Modernization and Replacement Program

The modernization program, proposed when the Authority was organized, anticipated the purchase of 4,256 new buses and cars to replace rolling stock of the predecessor companies.

ORIGINATING REVENUE PASSENGERS

	Surface System			Rapid Transit System						Per Cent of Total Revenue Passengers Carried by	
	Total	Per Cent Reduction Under		Total	Per Cent Reduction Under		Total	Per Cent Reduction Under			
Calendar Year of	Revenue Rides	Previous Year	1948	Revenue Rides	Previous Year	1948	Revenue Rides	Previous Year	1948	Surf.	Rapid Transit
1948	914,347,321	—	—	137,599,607	—	—	1,051,946,928	—	—	86.92	13.08
1949	817,495,803	10.58	10.58	123,701,817	10.10	10.10	941,197,620	10.53	10.53	86.86	13.14
1950	722,508,732	11.62	20.96	110,754,505	10.45	19.60	833,263,237	11.47	20.79	86.71	13.29
1951	666,438,914	7.76	27.10	112,594,178	+1.66	18.25	779,033,092	6.51	25.94	85.55	14.45
1952	608,211,464	8.74	33.55	112,467,643	0.11	18.25	720,679,107	7.49	31.49	84.39	15.61
1953	574,821,563	5.48	37.15	111,025,584	1.28	19.30	685,847,147	4.83	34.80	83.81	16.19
1954	529,934,199	7.81	42.08	112,870,841	+1.64	18.00	642,805,040	6.28	38.89	82.44	17.56
1955	510,603,672	3.65	44.00	111,210,770	1.48	19.20	621,814,442	3.27	40.89	82.12	17.88
1956	505,623,461	0.98	44.80	115,609,937	+3.80	16.00	621,233,398	0.09	40.94	81.39	18.61
1957	469,785,257	7.09	48.62	112,280,610	2.88	18.40	582,065,867	6.30	44.67	80.71	19.29
1958	426,226,629	9.27	53.38	106,768,010	4.91	22.40	532,994,639	8.43	49.33	79.97	20.03
1959	432,684,329	+1.52	52.68	113,330,994	+6.15	17.64	546,015,323	+2.44	48.09	79.24	20.76
1960	421,832,145	2.51	53.86	112,924,491	0.36	17.93	534,756,636	2.06	49.17	78.88	21.12
1961	395,405,445	6.26	56.75	110,126,318	2.48	19.97	505,531,763	5.47	51.94	78.22	21.78
1962	390,842,961	1.15	57.25	114,068,016	+3.46	17.10	504,910,977	0.12	52.00	77.41	22.59
1963	381,166,527	2.48	58.31	111,065,005	2.63	19.28	492,231,532	2.51	53.21	77.44	22.56
*1964	379,251,204	0.23	—	111,218,011	+0.51	—	490,469,215	0.06	—	77.32	22.68
*1965	388,076,702	+2.33	—	114,597,086	+3.04	—	502,673,788	+2.49	—	77.20	22.80

*The fiscal years 1964 and 1965 consist of thirteen four-week periods.

ESCALATOR
UP · DOWN

As of December 25, 1965, the Authority had purchased 5,417 new revenue vehicles, completing the modernization program and providing 1,161 additional new vehicles to replace equipment which had become over-age during the interim.

The total cost of these 5,417 new vehicles and auxiliary equipment was approximately $152,100,000, of which $90,234,000 covered the purchase of 4,463 surface units, and $61,866,000 covered 954 rapid transit cars.

Expenditures and commitments under the modernization and replacement program to date aggregate approximately $204,133,000: $152,100,000 for the revenue vehicles referred to previously and $52,033,000 for the construction and modernization of shops, operating garages, and other facilities such as terminals and fixed transportation equipment.

Construction Projects

The all-new ultra-modern street-level Tech-35th station on the North-South Rapid Transit route was completed and placed in operation, replacing facilities destroyed by fire in late 1962.

Archer garage was remodeled; bus service facilities, a fueling island, bus-fueling equipment and a bus washer were installed.

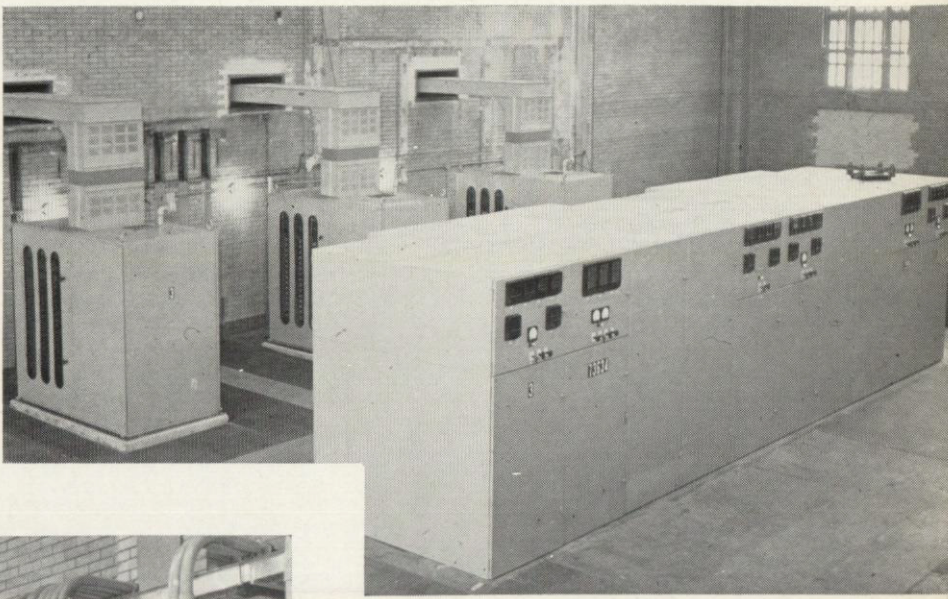
The Logan Square terminal of the West-Northwest Rapid Transit route was remodeled and an escalator installed to facilitate passenger movements.

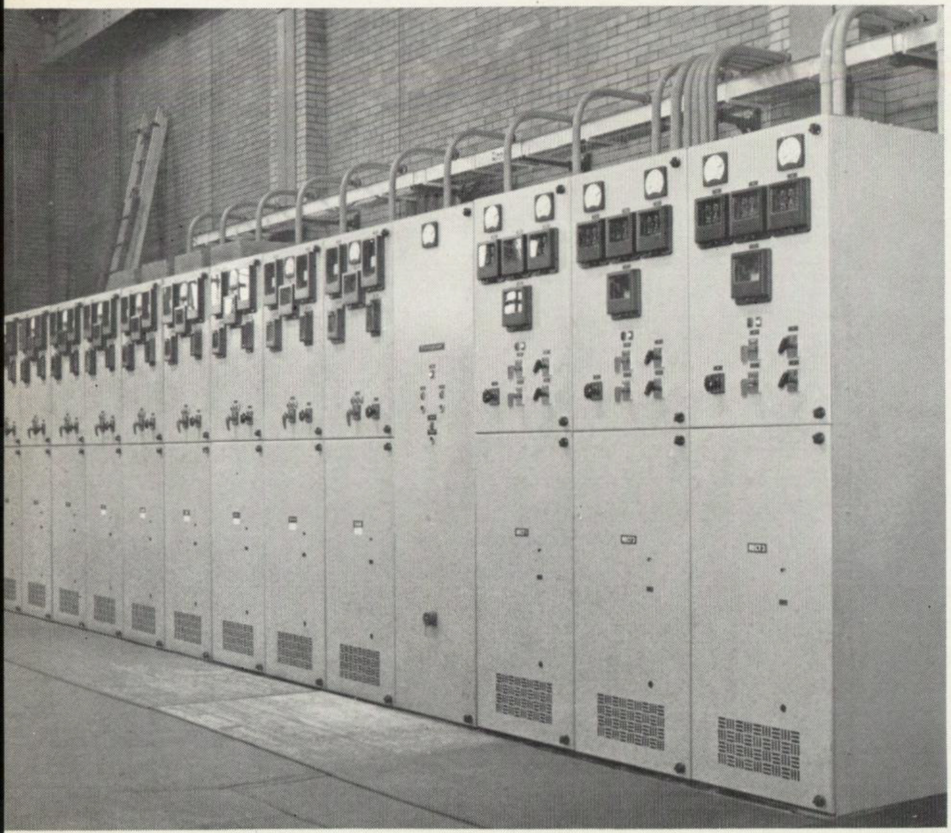
Four additional storage tracks (0.43 miles) were laid in the Lake-Harlem yard. Construction of a new inspection shop was also started at this location.

An automatically-operated interlocking plant was installed at the 59th Street junction, where the Englewood and Jackson Park rapid transit branches converge.

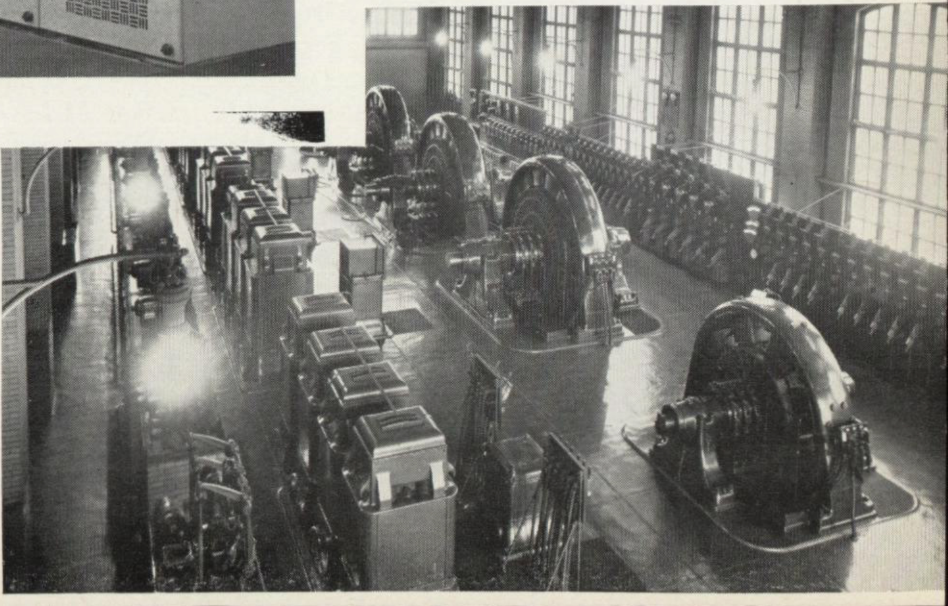
Harding electrical substation was converted from 25-cycle to 60-cycle power, and to automatic operation. This is the first of 19 substations to be converted and modernized in a 10-year program, the approximate $11,620,000 cost of which is to be shared by the Authority and the Commonwealth Edison Company.

Installation of an automatic train detection and overspeed control system began on the Lake Rapid Transit route. Under this system, each train will be equipped with cab signals; allowable speed, train





A 10-year program to replace obsolete electrical equipment in 19 of the Authority's substations was started during 1965 with the modernization of the Harding substation. Manually-operated electrical equipment (below) converting 25-cycle power for direct current traction use was replaced by modern silicon rectifiers (above) converting 60-cycle power and remote control switch gear left) which can be controlled centrally from the power supervisor's office in the Merchandise Mart. The cost of the program is being shared on a 60-40 basis by the Authority and Commonwealth Edison Company.



spacing and safe train operation will be governed by coded, audio-frequency track circuits. This is one of the most modern rapid transit signaling systems available, and is expected to be placed in full operation late in 1966.

Skokie Swift Demonstration Project

Patronage on the Skokie Swift, a five-mile high-speed non-stop rapid transit service between Dempster Street, Skokie, and Howard Street, Chicago, continued to increase beyond expectations. This locally-sponsored, federally-aided Mass Transportation Demonstration project, inaugurated April 20, 1964, has attracted world-wide interest.

On October 15, 1965, a new weekday high record was established when 7,765 persons used the service. For the year 1965, a total of 1,848,000 passengers were carried and 304,239 miles, or 29,886 round trips by 11 high-speed cars assigned to the service were operated.

Since the Skokie Swift service began, 2,938,000 riders have been carried, 506,109 miles, or 49,716 round trips, have been operated on the route.

New Revenue Vehicles

During 1965, the Authority received and placed into service 250 "New Look" 50-passenger, diesel-fueled buses, 10 of which were experimental air-conditioned units.

On August 5, 1965, Chicago Transit Board awarded a contract for 150 "New Look" 42-passenger, diesel-fueled buses. Delivery of these vehicles is to start in April, 1966, at an expected rate of 50 per month.

Revenue vehicles owned and operated as of December 25, 1965, consisted of the following:

	Owned	Active
Trolley buses	516	491
Diesel buses	1,157	1,027
Propane buses	1,660	1,640
TOTAL BUSES	3,333	3,158
Rapid transit cars	1,160	1,160
TOTAL	4,493	4,318*

*Difference represents 175 buses authorized to be scrapped.

Public Safety

Authority operating personnel established a new passenger safety record in 1965. The number of passenger accidents was the lowest in the Authority's history and the frequency rate tied the outstanding record achieved in 1962 and again in 1964.

Despite the worst weather conditions during a first quarter in 20 years, the 1965 combined traffic and passenger accident frequency rate was the second best in the Authority's history—only slightly higher than the all-time low set in 1964.

The following table and graph show comparisons of the Authority's public accident experience, which is comprised of all traffic and passenger accidents regardless of liability or severity. Both the table and graph show the dramatic improvement in public accident experience since the Authority's intensified safety-training activities began in 1954.

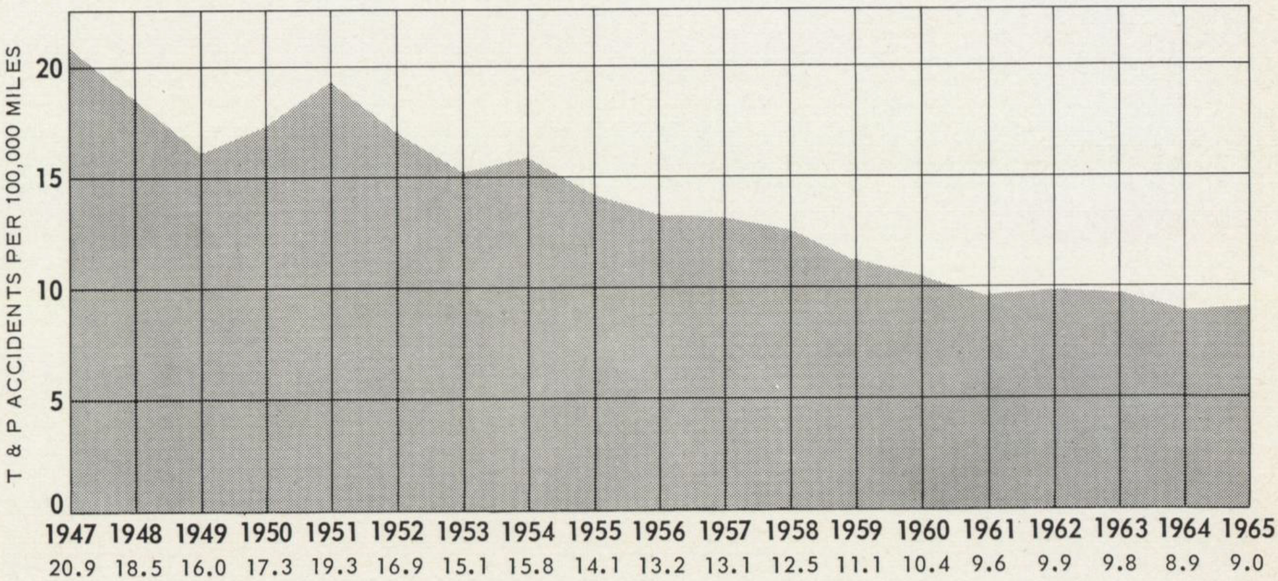
The table compares the 1965 public accident experience with 1964 and also with 1954 to show the effect of safety-training activities:

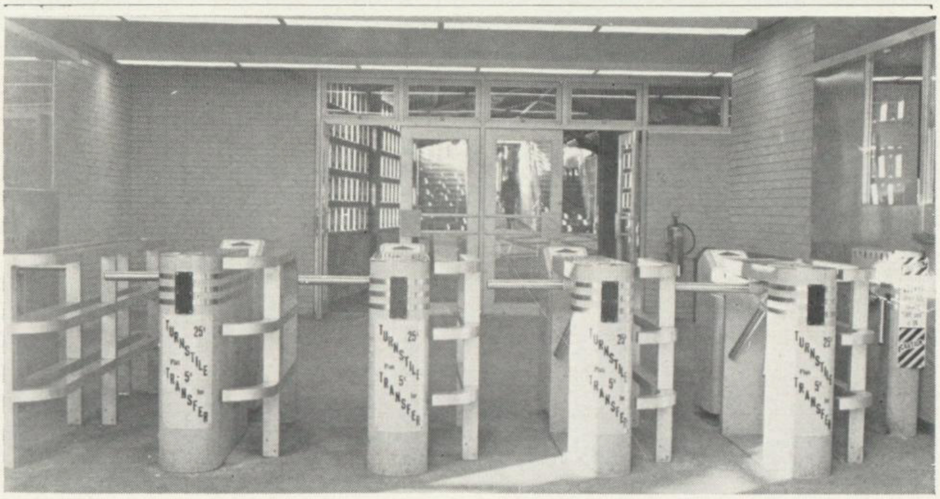
				Increase (Decrease)	
	1965	1964	1954	From 1964	From 1954
Traffic accidents	7,792	7,525	16,300	3.5%	(52.2%)
Passenger accidents	5,660	5,758	9,678	(1.7%)	(41.5%)
TOTAL ACCIDENTS	13,452	13,283	25,978	(1.3%)	(48.2%)
Revenue vehicle miles on routes (in thousands)	148,969	149,594	164,222	(0.4%)	(9.3%)
Frequency rate—Accidents per 100,000 miles—					
Traffic accidents	5.2	5.0	9.9	4.0%	(47.5%)
Passenger accidents	3.8	3.8	5.9	No Change	(35.6%)
TOTAL ACCIDENTS	9.0	8.9	15.8	1.1%	(43.0%)

The graph shows by years the combined traffic and passenger accident rate since the beginning of Authority operations. In the first eight years the rate remained above 15 accidents per 100,000 miles. Beginning in 1955, however, there was a substantial downward trend, and in the last five years the rate has remained below 10 accidents per 100,000 miles.

Personnel

Employes in service at the close of 1965 numbered 12,392, a decrease of 255 from December 26, 1964, and a decrease of 10,976 from the 23,368 employes in service at dates of acquisition of properties from predecessor companies.





The modern Tech-35th station on the North-South rapid transit route was officially opened on June 21, 1965. The station, costing $500,000, replaced facilities that were destroyed by fire in October, 1962.

During 1965, 382 employes retired on pension and 369 retired employes died. At December 31, 1965, there were 5,468 retired employes receiving pension payments.

The basic Retirement Plan covering earnings of all employes up to $10,000 per year, and Supplemental Retirement Plan covering earnings of employes in excess of $10,000 per year were combined during the year.

O. Robert Hamlink was appointed First Assistant General Attorney on June 1, 1965, succeeding William S. Allen, retired.

George Krambles was appointed Superintendent of Research and Planning on September 1, 1965, succeeding Louis M. Traiser, retired.

Vehicle Miles

The Authority continued to maintain attractive, convenient and frequent service throughout the City of Chicago and within or adjacent to 31 suburban communities.

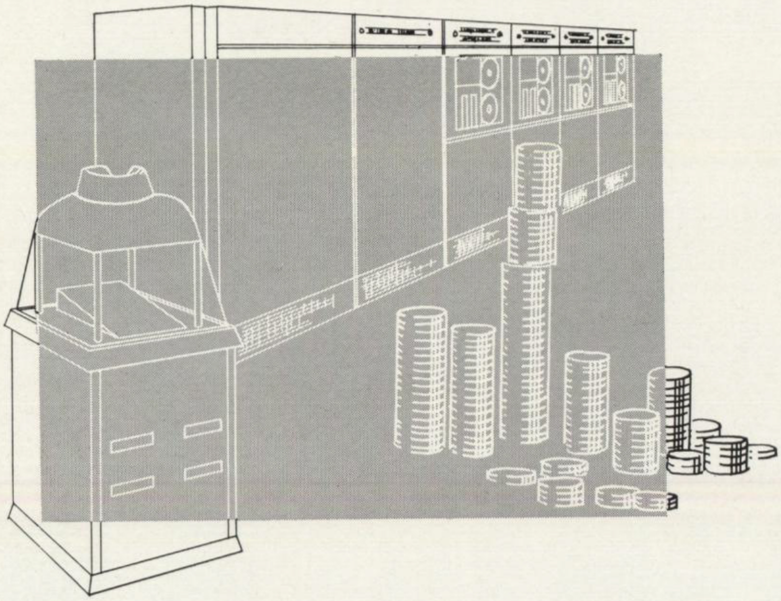
Revenue car miles operated on the rapid transit system totaled 44,349,196, an increase of 268,950 (0.61%) compared with 1964. These include 304,239 Skokie Swift car miles in 1965 compared with 201,870 for somewhat less than three quarters in 1964, an increase of 102,369 miles.

Total surface system miles operated were 111,067,942, an increase of 2,483,702 (2.29%) over 1964. Motor bus miles operated were 94,521,930, an increase of 2,735,367 (2.98%) over 1964, and trolley bus miles operated were 16,546,012, a decrease of 251,665 (1.50%) compared with 1964; this decrease was due to replacement of the trolley bus line on 47th Street with a motor bus route.

During 1965, the Rapid Transit system operated an average of 981 cars approximately 145,800 miles each weekday, while the Surface system operated an average of 2,838 buses approximately 330,400 miles each weekday.

Average scheduled speed of the Rapid Transit system in 1965 increased to 23.30 mph as compared with 23.18 in 1964. The "New Look" air-conditioned, high-performance cars assigned to the Lake and West-Northwest routes and the high-speed cars assigned to the Skokie Swift line contributed to this increase.

Scheduled speed of Surface system buses in 1965 increased to 11.98 mph as compared with 11.93 mph in 1964.



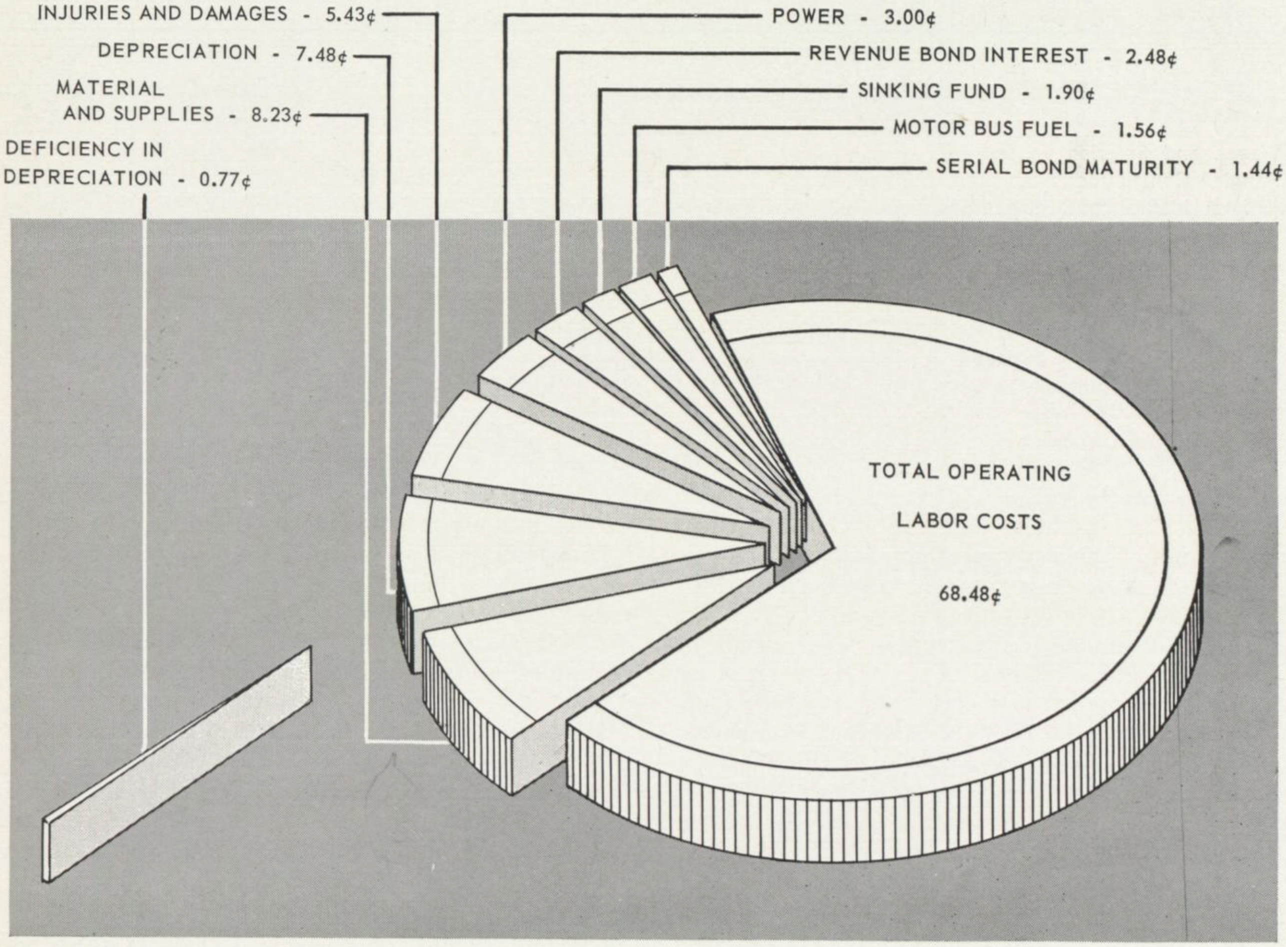
FINANCIAL RESULTS

Gross revenues for the 1965 fiscal year totaled $138,891,480, an increase of $4,747,284 over 1964. Operating and maintenance expenses totaled $120,413,721, an increase of $4,483,241 over 1964. Sufficient revenues remained available to meet all debt service requirements, but fell $718,371 short of meeting the total requirement for depreciation. This, together with a $351,022 deficiency carried over from the previous year, resulted in a total deficiency of $1,069,393 in meeting full depreciation requirements as of December 25, 1965. Increased revenues were substantially offset by higher costs (primarily wages), so that results were almost identical with those of the previous year.

Sources of the Authority's revenues for 1965 and 1964 were as follows:

	1965	1964	Increase (Decrease) Amount	Increase (Decrease) Per Cent
Passenger Revenues—				
Surface System	$104,610,405	$100,904,674	$3,705,731	3.67
Rapid Transit System	31,179,194	30,212,628	966,566	3.20
	135,789,599	131,117,302	4,672,297	3.56
Charter Service	613,381	480,637	132,744	27.62
	136,402,980	131,597,939	4,805,041	3.65
Other—				
Station and Car Privileges	862,375	417,770	444,605	106.42
Rent of Buildings and Other Properties	447,526	438,419	9,107	2.08
Miscellaneous	1,178,599	1,690,068	(511,469)	(30.26)
	2,488,500	2,546,257	(57,757)	(2.27)
TOTAL REVENUES	$138,891,480	$134,144,196	$4,747,284	3.54

DISTRIBUTION OF CTA'S 1965 REVENUE DOLLAR



NOTE: TOTAL OPERATING LABOR COSTS EXCLUDE $2,617,724 (1.88¢ OF CTA'S DOLLAR) CHARGED TO OPERATING MATERIALS AND SUPPLIES AND INJURIES AND DAMAGE RESERVE.

The principal reasons for the increase in passenger revenues were—a 12,204,573 (2.49%) increase in originating revenue passengers accounting for $2,960,000; an 8,120,102 (3.34%) increase in the use of 5¢ transfers accounting for $400,000, and the reimbursement by the State of Illinois to cover the transportation of school children at a reduced rate of fare accounting for $1,300,000.

Charter service revenue for the year increased $132,744.

In other revenues, station and car privileges increased $444,605; however, a decrease of $515,782 in interest earned on securities held in special funds was the principal element that caused an overall decrease of $57,757 in other revenues.

Despite operating economies in controllable expenses, operating and maintenance expenses increased $4,483,241 in 1965, primarily because of increases in wages.

The principal elements comprising operation and maintenance expenses for 1965 and 1964 are as follows:

	1965	1964	Increase (Decrease)	
			Amount	Per Cent
Wages and Salaries	$ 84,101,607	$ 80,658,285	$3,443,322	4.27
Pension Contributions	7,691,844	6,696,993	994,851	14.86
Federal Insurance Contributions	2,239,426	2,281,505	(42,079)	(1.85)
Employes' Insurance	1,076,647	1,166,961	(90,314)	(7.74)
TOTAL LABOR COSTS	95,109,524	90,803,744	4,305,780	4.74
Electric Power Purchased	4,163,976	4,120,606	43,370	1.05
Motor Bus Fuel Consumed	2,172,094	2,107,328	64,766	3.07
Operating Material & Supplies	6,417,659	5,596,172	821,487	14.68
Provision for Injuries & Damages	7,536,349	8,618,183	(1,081,834)	(12.55)
Misc. Services, Supplies, etc.	5,014,119	4,684,447	329,672	7.04
TOTAL OPERATION AND MAINTENANCE EXPENSES	$120,413,721	$115,930,480	$4,483,241	3.87

Wages and salaries increased in 1965 by the application of higher wage rates and cost-of-living allowances provided in contracts negotiated in 1962, and by new contracts effective December 1, 1965, with two of the labor organizations representing the employes of the Authority. One of these (Division 241, Amalgamated Transit Union) represents approximately two-thirds of the Authority's employes. Provision has also been made in the accounts for 1965 for payment of increases (proportionate with those already granted) for the remainder of the Authority's employes, pending completion of negotiations with the other labor organizations. These changes, applied to the basic one-man operator wage rates, were as follows:

	Basic One-Man Hourly Rate	Cost-of-Living Allowance	Total
December 26, 1964	$3.020	$—	$3.020
1965 Changes—			
Effective March 1	—	+0.040	0.040
June 1	—	+0.015	0.015
September 1	—	+0.025	0.025
December 1	+0.080	—	0.080
Net Change	+0.080	+0.080	0.160
December 25, 1965	$3.100	$0.080	$3.180

The newly negotiated three-year wage contracts, effective December 1, 1965, provided for hourly wage increases of 8¢ on December 1, 1965; 11¢ on December 1, 1966; and 12¢ on December 1, 1967, to employes represented by Division 241, Amalgamated Transit Union. Proportionate wage increases were agreed to with Local 726, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. The then current cost-of-living allowance of 8¢ was incorporated in the December 1, 1965, basic hourly wage rate. The cost-of-living allowance clause was carried forward in the new contracts; allowances, if any, are to start with the first payroll period beginning on or after March 1, 1966, with quarterly adjustments thereafter.

The new wage rates, together with the cumulative effect of changes in wage rates made in 1964, increased 1965 wage costs $3,443,322.

Pension contributions for 1965 increased $994,851 due to higher earnings in the employe group for whom pension contributions are made and also because the Authority's contribution rate was increased 1%, from 8% to 9%, by a revision of the pension agreement, effective January 1, 1965. The employe contribution rate also increased 1%, from 4% to 5% of gross earnings at that time.

Federal insurance contributions (old-age, survivors, and disability benefits) were $42,079 less than in 1964, based on taxable earnings, since there was no change in rates or individual taxable amount between the two years.

Employes' group insurance costs for 1965 decreased $90,314 because of a decrease in advance premiums of $22,000 and because experience credits received in 1965 were $68,500 greater than in 1964.

Cost of electric power purchased during 1965 increased $43,370. An increase of 1.2 degrees in mean temperature in 1965 and operation of the 2000-series high-performance, air-conditioned cars were the principal factors accounting for this increase.

Motor fuel costs for 1965 were $64,766 higher than in 1964, primarily due to an increase in miles operated and an increase in basic fuel cost per gallon.

Operating material and supplies costs increased $821,487. This increase was due to unusual occurrences requiring increased usage of material and to general price increases.

The provision for injury and damage settlements was accrued at the rate of 4½% of total revenues at the end of 1965, 1% less than during 1964. This resulted in a reduction of $1,081,834 in this provision.

Claim and suit settlements, and expenses applicable thereto, amounted to $6,481,813 in 1965 compared with $7,249,111 in 1964, as shown in the following table:

During the year, a contract was awarded to the Flxible Company of Loudonville, Ohio, for 150 modern 42-passenger diesel-fueled buses to be delivered in mid-1966.

	1965	1964	Increase (Decrease)
Claim settlements—			
Number	14,842	15,113	(271)
Settlement costs	$2,362,957	$2,489,772	($126,815)
Expenses	913,648	907,370	6,278
TOTAL COST OF CLAIMS	3,276,605	3,397,142	(120,537)
Suit settlements—			
Number	2,051	2,443	(392)
Settlement costs	$2,132,528	$2,723,982	($591,454)
Expenses	1,072,680	1,127,987	(55,307)
TOTAL COST OF SUITS	3,205,208	3,851,969	(646,761)
TOTAL COST	$6,481,813	$7,249,111	($767,298)

Average cost per claim settled, excluding expenses, decreased from $165 in 1964 to $159 in 1965; and suit costs, excluding expenses, averaged $1,040 in 1965, down from $1,115 in 1964. The total cost of claim settlements in 1965 amounted to 4.67% of revenue, as compared with 5.40% in 1964. Claims and suits during the year totaled 21,540 as compared with 21,413 in 1964, an increase of 127, or 0.6%.

Miscellaneous services and supplies costs were $329,672 higher than in 1964. Numerous fluctuating, and, in some cases, non-recurring categories of expenses are included under this caption. The larger items showing variations in 1965 included an increase of $235,680 (exclusive of the Authority's labor costs) in the cost of removal of snow and ice from transit routes, and an increase of $45,779 in tire rental due to an increase in miles operated.

Debt service requirements for 1965 totaled $8,084,812, an increase of $12,004 over 1964. Deposits to the Series 1947, 1952 and 1953 sinking funds, applied to the retirement of bonds in advance

REVENUE BONDS RETIRED DURING 1965

Series	Serial Bond Maturity Fund	Sinking Fund	Amortization Fund	Total	Total Retired to 12-25-65
1947	$ 2,000,000	$ 2,027,000	$ —	$4,027,000	$45,252,000
1952	—	524,000	—	524,000	3,516,000
1953	—	204,000	—	204,000	1,010,000
Year 1965	2,000,000	2,755,000	—	$4,755,000	
Memorandum: RETIREMENTS TO DATE	$27,000,000	$18,007,500	$4,770,500		$49,778,000

of maturity, increased $170,436 to the required total of $2,644,924. Series of 1947 Serial Bond Maturity Fund during 1965 increased $4,806 over 1964. Interest payments of $3,445,264 on all series of Revenue Bonds during 1965 decreased $163,238 from 1964 as a result of the retirement of bonds. Bond retirements during 1965 are summarized above.

Serial bond maturity retirements of $2,000,000 of Series 1947 bonds were at par. Sinking fund retirements of principal, premium payments, and future interest savings on these retirements are summarized below:

SINKING FUNDS

Series	Par Value	Cost	Premium Payments	Interest Savings to Maturity
1947	$2,027,000	$2,080,185	$53,185	$ 990,145
1952	524,000	534,460	10,460	406,057
1953	204,000	207,890	3,890	156,983
TOTAL	$2,755,000	$2,822,535	$67,535	$1,553,185

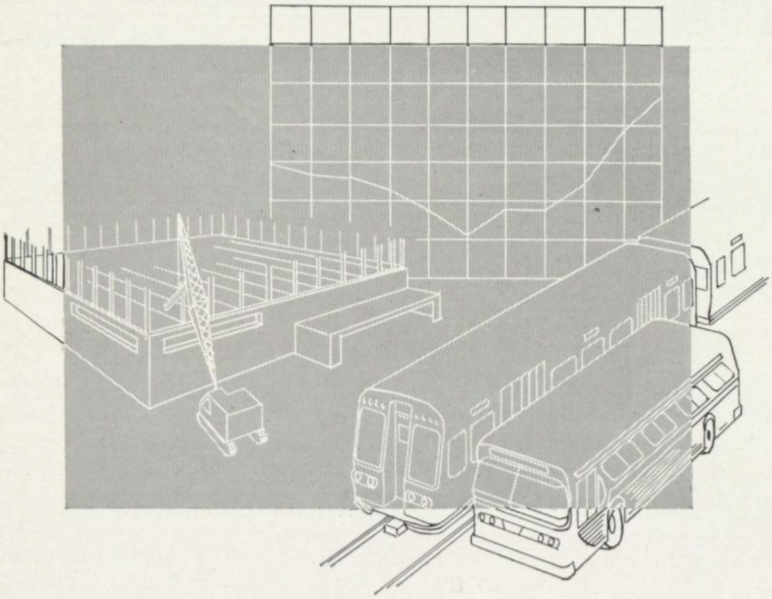
This was the third year in which premium payments exceeded discounts realized from redemption of bonds prior to maturity. Net principal savings to date by early retirement of term revenue bonds amounted to $1,141,271.

The annual interest reduction on $2,755,000 retired in advance of maturity during 1965 amounts to $108,772. In years subsequent to 1965, the total interest savings to maturity on $22,778,000 principal amount of bonds retired to date (through operation of both sinking and amortization funds) will amount to $16,221,276.

Provision for depreciation in 1965 and 1964 was at a rate of 8% of total revenues as required by the Revenue Bond Trust Agreement. The 1965 increase of $379,782 (3.5%) in this provision results from the increase in 1965 revenues.

FINANCIAL POSITION

Statements setting forth the financial position of the Authority at December 25, 1965, together with the opinion of Arthur Andersen & Co., independent public accountants, and other statements showing various phases of the Authority's operation for the fiscal year ended that date, are presented in a following section of this report.



OUTLOOK FOR 1966

Financial—Budget

An operating budget of $144,388,000 was approved during December of 1965 by Chicago Transit Board for the fiscal year 1966, which indicated that revenues would be sufficient to cover all operating expenses and debt service requirements, but that there would be a $2,456,000 deficiency in making deposits to meet full depreciation requirements. The total deficiency, including an estimated carry-over of $1,175,000 from 1965, was estimated to amount to $3,631,000 at the end of 1966.

Passenger revenues for 1966 were estimated on the assumption that revenue passenger rides would be approximately 2.2% higher than the 1965 level, and that passenger revenues would be approximately $5,300,000 higher, an increase of 4.0%. Other revenues were estimated to produce about $180,000 less than in 1965.

Expenses budgeted were based on wage rates in effect at the close of 1965, which included provision for wage increases for all employes, based on a contract, effective December 1, 1965, with Division 241, Amalgamated Transit Union, representing a majority of the Authority's employes. Negotiations to replace contracts expiring November 30, 1965, with all other organizations representing the remainder of the Authority's employes are continuing.

Other expenses were estimated at 1965 levels, except that minor increases in material unit costs were expected.

Budget for Capital Projects

Cash available for capital outlays in 1966, including a carry-over of capital funds appropriated but not spent in 1965, is estimated at $20,247,000; $10,024,500 of this amount is committed or planned for the purchase of new revenue vehicles. The remainder is committed for other capital projects urgently needed, some of which are already under way.

Major capital items budgeted are as follows:

Purchase of 350 motor buses ($9,660,000), spare parts for motor buses and rapid transit cars	$10,024,500
Interest and principal on equipment trust certificates	1,695,900
Purchase of fare boxes	35,000
Lake Street terminal facilities	1,300,000
Substation conversion	693,900
Track and track structures	1,548,500
Surface system buildings	1,617,000
Rapid transit system buildings	1,125,000
Surface system electrical	102,500
Rapid transit system electrical	1,203,000
Shops and Equipment, purchase of tools and scrapping of passenger equipment	75,000
Stores Department, purchase of equipment	30,000
Purchase of office machines and equipment	50,000
Transportation Department, automotive equipment	79,000
General and administrative costs capitalized	476,000
Purchase and sale of real estate (net)	(93,500)
Major contingencies	285,200
TOTAL	$20,247,000

( ) Denotes red figures

Financial—Preliminary Results

During the first three four-week periods ended March 19, 1966, passenger traffic of 117,986,318 revenue rides increased 3,630,970 (3.2%), compared with the same periods of 1965. Passenger revenues of $32,477,853 increased $2,010,765 (6.6%), of which $982,636 represents the reimbursement by the State of Illinois for transportation of school children at reduced rates. Total revenues of $33,115,668 increased $1,963,260 (6.3%), and operation and maintenance expenses of $29,446,641 increased $1,790,773 (6.5%). There was an increase of $157,060 in the provision for depreciation due to the increase in gross revenues, on which this provision is based. As a result, for the three periods ended March 19, 1966, there was a deficiency of $874,118 in the amount available for deposit to the depreciation reserve fund. The accumulated deficit at March 19, 1966, was $1,943,511.

Chicago Transit Board

Mrs. Bernice T. Van der Vries was reappointed a member of Chicago Transit Board for the term expiring August 31, 1970.

Mr. James R. Quinn was reappointed a member of Chicago Transit Board for the term expiring August 31, 1971. Mr. Quinn, an original member of Chicago Transit Board, is now in his fourth term.

ACKNOWLEDGEMENTS

The Board wishes to express its appreciation and thanks to the employes whose courtesy, skill and dedication to public service contributed so much to the achievements of the year, and to the riding public for their valued patronage and support.

We also thank the several public bodies, public officials and others who have assisted the Authority for their continued cooperation and help in effecting transportation improvements in the Chicago area.

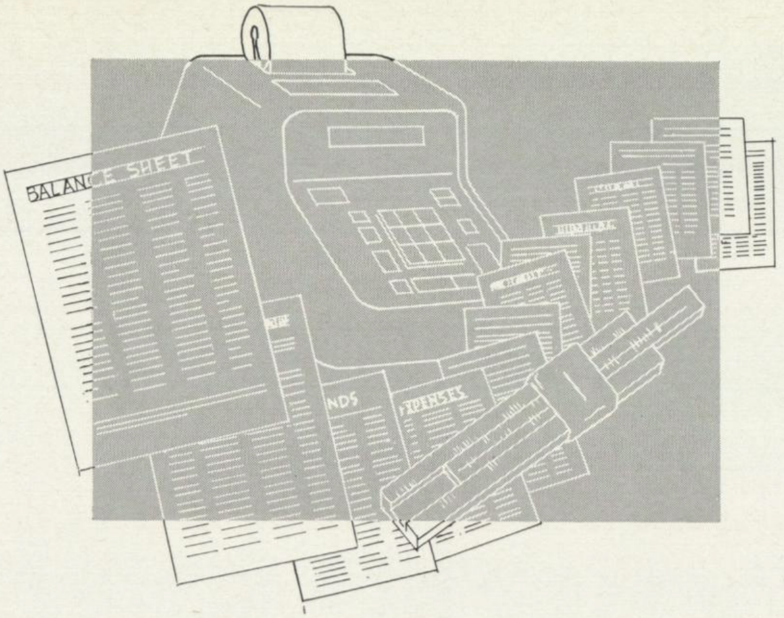
Special thanks are extended to those whose invaluable assistance made possible reimbursement to the Authority for the costs of transporting school children at a reduced fare.

By Order of the Board,

George DeMent

Chairman

Room 734
Merchandise Mart Plaza
Chicago, Illinois 60654



FINANCIAL STATEMENTS AND STATISTICS

ARTHUR ANDERSEN & CO.
CHICAGO, ILLINOIS

Chicago Transit Board,
Chicago Transit Authority:

We have examined the balance sheet and statement of long-term debt of CHICAGO TRANSIT AUTHORITY (an Illinois municipal corporation) as of December 25, 1965, and the related statements of accumulated net earnings, of application of revenue and of funds for the fifty-two week period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of long-term debt, of accumulated net earnings and of funds present fairly the financial position of Chicago Transit Authority as of December 25, 1965, and the sources and disposition of funds for the fifty-two week period then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of application of revenue presents fairly the distribution of revenue for the fifty-two week period ended December 25, 1965, in accordance with the provisions of the trust agreement securing the revenue bonds.

ARTHUR ANDERSEN & CO.

March 18, 1966

CHICAGO
TRANSIT
AUTHORITY

Balance

ASSETS

	Dec. 25, 1965	Dec. 26, 1964
TRANSPORTATION PROPERTY, at cost	$232,262,093	$222,945,600
Less—Reserve for depreciation	102,829,724	92,853,827
	$129,432,369	$130,091,773
SPECIAL FUNDS, cash and U.S. Government securities:		
Held by revenue bond trustee—		
Depreciation reserve	$ 11,472,434	$ 5,277,728
Operating expense reserve	1,848,259	1,848,259
	$ 13,320,693	$ 7,125,987
Held by equipment trustee for purchase of equipment	82,368	7,891,708
Damage reserve	10,363,444	9,308,909
	$ 23,766,505	$ 24,326,604
CURRENT ASSETS:		
Cash and U.S. Government securities—		
Working cash account (Note 2)	$ 16,381,838	$ 15,675,787
Deposits for payment of interest	1,676,112	1,775,426
Accounts receivable, less reserve	293,658	1,754,325
Materials and supplies, at average cost	5,809,867	5,859,059
Other	1,877,224	869,143
	$ 26,038,699	$ 25,933,740
	$179,237,573	$180,352,117

Sheets

LIABILITIES

	Dec. 25, 1965	Dec. 26, 1964
LONG-TERM DEBT, including $6,070,701 debt service requirements due within one year (see accompanying statement) (Note 3):		
Revenue bonds, excluding amounts held by trustee for payment of principal (Note 4)	$ 76,149,030	$ 80,788,316
Equipment trust certificates, excluding amounts held by trustee for payment of principal (Note 5)	15,154,166	16,282,500
	$ 91,303,196	$ 97,070,816
ACCUMULATED NET EARNINGS (fully appropriated)	$ 54,993,745	$ 51,200,164
CURRENT LIABILITIES:		
Accounts payable	$ 4,313,847	$ 7,397,058
Accrued wages and vacation pay	8,242,641	7,554,609
Accrued interest	1,676,112	1,775,426
Revenue received in advance (Note 6)	2,296,558	—
Other	289,149	286,255
	$ 16,818,307	$ 17,013,348
DAMAGE RESERVE	$ 16,122,325	$ 15,067,789
	$179,237,573	$180,352,117

The accompanying notes are an integral part of these statements.

CHICAGO
TRANSIT
AUTHORITY

Statements of Long-Term Debt

	Dec. 25. 1965	Dec. 26, 1964
REVENUE BONDS (Notes 3 and 4):		
Series of 1947, 3⅝% to 3¾%, due 1978	$59,748,000	$63,775,000
Series of 1952, 4½%, due 1982	19,484,000	20,008,000
Series of 1953, 4½%, due 1982	5,990,000	6,194,000
	$85,222,000	$89,977,000
Less—Funds held by trustee for payment of principal (see accompanying statement of funds)	9,072,970	9,188,684
	$76,149,030	$80,788,316
EQUIPMENT TRUST CERTIFICATES (Notes 3 and 5):		
Series 10, 2.90% to 3.625%, due 1973	$ 5,625,000	$ 6,375,000
Series 11, 3.25% to 3.90%, due 1976	9,625,000	10,000,000
	$15,250,000	$16,375,000
Less—Funds held by trustee for payment of principal (see accompanying statement of funds)	95,834	92,500
	$15,154,166	$16,282,500
	$91,303,196	$97,070,816

The accompanying notes are an integral part of these statements.

Statement of Accumulated Net Earnings

APPROPRIATED IN ACCORDANCE WITH THE TRUST AGREEMENT SECURING THE REVENUE BONDS FOR THE FIFTY-TWO WEEK PERIOD ENDED DECEMBER 25, 1965

BALANCE DECEMBER 26, 1964	$51,200,164
Deficiency in revenue, representing depreciation for which cash was not available for deposit with the trustee, per accompanying statement of application of revenue	$ 1,069,393*
Prior period deficiency in depreciation	351,022
Items deducted from operating revenue in accordance with the revenue bond trust agreement, but not deductible from net earings—	
Appropriations for debt service requirements—	
Serial bond maturity fund	1,994,624
Sinking funds	2,644,924
Interest earned on certain funds, not included in transit revenue under the trust agreement—	
Sinking funds	5,890
Revenue bond reserves	61,383
Modernization fund	108
Depreciation reserve	441,636
Interest expense on equipment trust certificates	569,078*
Premium on retirement of revenue bonds	67,535*
	$ 3,793,581
BALANCE DECEMBER 25, 1965	$54,993,745

* Denotes deduction.

The accompanying notes are an integral part of this statement.

CHICAGO
TRANSIT
AUTHORITY

Statement

FOR THE FIFTY-TWO WEEK PE

FUNDS	Balance Dec. 26, 1964, Before Transfers	COLLECTED		Net Transfers Between Funds Made in 1965
		Revenue and Other Receipts	Interest Income	
HELD BY REVENUE BOND TRUSTEE:				
Transit Revenue	$ 7,467,812	$139,303,363	$ 9,702	$135,438,289*
Interest	1,774,628	—	37,693	3,414,229
Serial Bond Maturity	1,000,000	—	40,740	1,959,260
Sinking Funds	277,819	—	5,890	2,759,575
Reserve Funds	7,972,120	—	302,321	346,001*
Depreciation Reserve	12,094,285	528,000	441,636	8,629,607
Operating Expense Reserve	1,848,259	—	88,400	88,400*
Modernization	18,024	880,883	108	—
HELD BY EQUIPMENT TRUSTEE:				
For payment of interest	48,503	—	6,251	562,827
For payment of principal	92,500	—	12,326	1,116,008
For purchase of equipment	7,891,708	—	94,753	94,753*
OTHER:				
Working Cash Account	1,663,069	6,712,131	7,709	110,198,127
Damage Reserve	7,910,274	—	265,065	7,365,758
Excess Damage Reserve	1,000,000	—	37,948	37,948*
TOTAL	$51,059,001	$147,424,377	$1,350,542	$ —

* Denotes deduction.

of Funds

IOD ENDED DECEMBER 25, 1965

	Balance, December 25, 1965, Before Reflection of Transfers Yet to be Made Between Funds — HELD AS				Balance, December 25, 1965, After Transfers Between Funds — CLASSIFIED AS		
Disbursements	Cash	U. S. Government Securities	Total	Net Transfers Between Funds to be made After Dec. 25, 1965	Special Funds	Current Assets	Reduction of Long-Term Debt
$ —	$ 9,046,631	$ 2,295,957	$11,342,588	$11,342,588*	$ —	$ —	$ —
3,541,300*	1,078	1,684,172	1,685,250	54,363*	—	1,630,887	—
2,000,000*	345	999,655	1,000,000	32,258*	—	—	967,742
2,822,535*	1,853	218,896	220,749	43,961*	—	—	176,788
—	1,463	7,926,977	7,928,440	—	—	—	7,928,440
8,136,126*	143,015	13,414,387	13,557,402	2,084,968*	11,472,434	—	—
—	5,328	1,842,931	1,848,259	—	1,848,259	—	—
18,132*	465	880,418	880,883	880,883*	—	—	—
572,356*	1,163	44,062	45,225	—	—	45,225	—
1,125,000*	2,815	93,019	95,834	—	—	—	95,834
7,809,340*	82,368	—	82,368	—	82,368	—	—
116,326,296*	2,206,887	47,853	2,254,740	14,127,098	—	16,381,838	—
6,489,576*	946,892	8,104,629	9,051,521	311,923	9,363,444	—	—
—	1,815	998,185	1,000,000	—	1,000,000	—	—
$148,840,661*	$12,442,118	$38,551,141	$50,993,259	$ —	$23,766,505	$18,057,950	$9,168,804

The accompanying notes are an integral part of this statement.

Statements of Application of Revenue

FOR THE FIFTY-TWO WEEK PERIODS ENDED
DECEMBER 25, 1965, AND DECEMBER 26, 1964

	1965	1964
OPERATING REVENUE:		
Passenger transportation	$136,402,980	$131,597,939
Other	2,488,500	2,546,257
	$138,891,480	$134,144,196
OPERATING EXPENSES:		
Transportation operations	$ 70,090,308	$ 65,992,603
Maintenance and servicing	28,677,014	27,670,725
Administrative and general	5,905,061	5,619,163
Provision for injuries and damages	7,536,349	8,618,183
Electric power for revenue equipment	5,217,779	5,126,580
Fuel for revenue equipment	2,172,094	2,107,328
Operating rentals (Note 9)	815,116	795,898
	$120,413,721	$115,930,480
REVENUE AVAILABLE FOR DEBT SERVICE	$ 18,477,759	$ 18,213,716
DEBT SERVICE REQUIREMENTS:		
Interest	$ 3,445,264	$ 3,608,501
Serial bond maturity fund	1,994,624	1,989,818
Sinking funds	2,644,924	2,474,488
	$ 8,084,812	$ 8,072,807
REVENUE AVAILABLE FOR OTHER REQUIREMENTS, provided from current operations	$ 10,392,947	$ 10,140,909
UNAPPROPRIATED EARNINGS AVAILABLE AT BEGINNING OF PERIOD (Note 7)	—	239,605
TOTAL AVAILABLE FOR OTHER REQUIREMENTS	$ 10,392,947	$ 10,380,514
OTHER REQUIREMENTS:		
Depreciation—		
Prior period deficiency	$ 351,022	$ —
Current period	11,111,318	10,731,536
	$ 11,462,340	$ 10,731,536
DEFICIENCY IN REVENUE, representing depreciation for which cash was not available for deposit with the trustee	$ 1,069,393	$ 351,022

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 25, 1965

(1) Revenue of each calendar year after deducting operation and maintenance expenses is to be deposited in the following funds, in the order shown, to the extent that moneys are available therefor:

A. Revenue bond interest fund, serial bond maturity fund, sinking funds and reserve funds—deposits equal to debt service requirements as provided in the revenue bond trust agreement.

B. Depreciation reserve fund—deposits equal to the annual depreciation provision and deficiencies, if any, in prior years' deposits.

C. Revenue bond amortization fund—deposits, cumulative within the year, equal to $300,000 quarterly for the series of 1947 and 1952 revenue bonds and $16,714 quarterly for the series of 1953 revenue bonds.

D. Operating expense reserve fund—deposit to be not less than $900,000 each year, until the balance in the fund is equal to at least $4,000,000.

E. Municipal compensation fund—deposit to be computed in accordance with the franchise ordinance.

F. Modernization fund—deposits to be equal to the moneys remaining after making required deposits to the above funds.

(2) In conjunction with the purchase of certain right-of-way and other facilities in 1963, $1,500,000 was temporarily withdrawn from the working cash account, of which $600,000 had been reimbursed from the depreciation reserve fund as of December 25, 1965. The remaining $900,000 will be reimbursed from the depreciation reserve fund over a period not to exceed three years at a rate of not less than $300,000 per year subject to specific authorization by Chicago Transit Board in each year.

(3) Debt service requirements in 1966 for the payment of principal on revenue bonds and equipment trust certificates consist of the following:

	Total	Revenue Bonds	Equipment Trust Certificates
Serial bond maturity	$2,032,258	$2,032,258	$ —
Sinking funds	2,869,276	2,869,276	—
Principal payment funds	1,169,167	—	1,169,167
	$6,070,701	$4,901,534	$1,169,167

CONTINUED ON NEXT PAGE

(4) Payments of principal on revenue bonds are to be made as rapidly as practicable, but at least semi-annually, from deposits made to the sinking funds, and annually from deposits made to the serial bond maturity fund.
Revenue bond reserve requirements were met in prior years. Amounts deposited in revenue bond reserve funds can be used only for (a) payment of principal or interest on revenue bonds whenever on any principal or interest payment date there would be insufficient moneys held by the trustee in applicable principal, interest and other funds or (b) retirement of remaining bonds outstanding whenever the aggregate amount in the revenue bond reserve fund, revenue bond amortization fund and sinking fund for any series is equal to the amount of applicable series bonds then outstanding.

(5) The collateral for Series 10 and 11 equipment trust certificates consists of 575 motor buses and 493 elevated-subway cars having a total cost of approximately $51,000,000.
Payments of principal on equipment trust certificates are to be made semi-annually from deposits made to principal payment funds. Deposits for payment of principal and interest on equipment trust certificates are to be made from the depreciation reserve fund to which deposits are to be made after requirements have been fulfilled for operating expenses and principal and interest on the revenue bonds.

(6) In 1965, the Authority received $3,650,000 from the State of Illinois for reimbursement of a portion of the cost of transporting students. A pro rata portion of the funds received is being reflected in revenue each period during the school year including the summer term, from September, 1965, through August, 1966, based on the number of school days in the year. As of December 25, 1965, $1,353,442 had been recorded in revenue. The remaining balance of $2,296,558 will be reflected in revenue in 1966.

(7) The unappropriated earnings available at the beginning of 1964 of $239,605 represents an amount which was not required to be deposited in a specific fund at December 28, 1963. Such amount was utilized in the fifty-two week period ended December 26, 1964, to reduce the deficiency in revenue resulting in a net deficiency in revenue as of December 26, 1964, of $351,022.

(8) Under its pension agreement, which is renegotiated every three years, the Authority has agreed to contribute a fixed percentage of payroll to a contributory pension plan for present and retired employes. Under such agreement, the Authority is not legally obligated to fund the actuarial cost of future benefits to present and retired employes. At January 1, 1965, the unfunded amount was approximately $113,000,000, including amounts based on employe services rendered to predecessor companies. The Authority's consulting actuaries have not completed the computation of the unfunded amount as of January 1, 1966, but no significant change from the amount set forth above is anticipated.

(9) The Authority leases operating facilities under long-term leases which expire on various dates from July, 1977, to March, 1990.

(10) Commitments for capital expenditures as of December 25, 1965, are approximately $7,000,000.

CHICAGO
TRANSIT
AUTHORITY

Statement of Transportation Property and Organization Expense

Showing Balance at December 26, 1964, Plus Additions and Less Retirements During 1965 and Balance at December 25, 1965

	Balance Dec. 26, 1964	Gross Additions	Retirements	Balance Dec. 25, 1965
Land	$ 14,547,995	$ 15,651	$ 122,474	$ 14,441,172
Track & Paving	11,319,771	982,165	111,140	12,190,796
Machinery & Tools	4,885,986	141,448	23,342	5,004,092
Electric Line Equip.	9,887,404	386,390	635,028	9,620,766
Buildings	31,472,597	1,639,044	76,613	33,035,028
Cars	61,720,143	1,297,813	399,138	62,618,818
Buses, Fare Boxes, Etc.	64,728,844	6,741,841	1,985,934	69,484,751
Work Cars, Autos & Service Equip.	1,915,216	55,876	27,071	1,944,021
Furniture	1,442,164	97,335	8,966	1,530,533
Signals & Interlocking	1,903,053	469,912	53,601	2,346,364
Crossings, Fences & Signs	1,395,692	25,151	—	1,420,843
Elevated Structures	7,956,384	169,880	66,633	8,059,631
Substation Equip.	3,454,833	317,766	3,946	3,768,653
Telephones & Communications	939,947	32,072	—	972,019
Engineering	46,623	—	—	46,623
General & Misc.	5,243,632	491,400	42,366	5,692,666
TOTAL TRANSPORTATION PROPERTY	$222,860,284	$12,872,744	$3,556,252	$232,176,776
Organization Expense	85,316	—	—	85,316
TOTAL	$222,945,600	$12,872,744	$3,556,252	$232,262,092

Revenue Equipment Owned

December 25, 1965

	On Hand 12-26-64	12-27-64 to 12-25-65		On Hand 12-25-65
		Acquired	Retired	
SURFACE SYSTEM—				
Buses—				
Trolley Buses	525	—	9	516
Diesel (Air-conditioned)	—	10	—	10
Diesel	996	240	89	1,147
Propane	1,671	—	11	1,660
TOTAL SURFACE SYSTEM	3,192	250	109	3,333
RAPID TRANSIT SYSTEM—				
Elevated Cars—				
Steel—Conventional type	281	—	74	207
Metal—Articulated	4	—	—	4
Metal—P.C.C.	769	—	—	769
Metal—P.C.C. Air-conditioned High-Speed	180	—	—	180
TOTAL RAPID TRANSIT SYSTEM	1,234	—	74	1,160
TOTAL REVENUE EQUIPMENT OWNED	4,426	250	183	4,493

CHICAGO TRANSIT AUTHORITY

Mileage Owned, Leased and Operated

December 25, 1965

	Surface System	Rapid Transit System	Combined
Tracks Owned or Leased:			
Owned	34.00	173.28	207.28
Leased (Subways, Congress Expressway and Lake Street Track Elevation)	—	37.23	37.23
TOTAL TRACK OWNED OR LEASED	34.00	210.51	244.51
Revenue and Non-Revenue Track or Route Mileage:			
Revenue Miles in Operation—			
Revenue Tracks	—	171.13	171.13
Trolley Bus Lines (Single Way Miles)	233.24	—	233.24
Motor Bus Lines (Single Way Miles)	1,620.82	—	1,620.82
TOTAL REVENUE MILES	1,854.06	171.13	2,025.19
Non-Revenue Miles—			
Unused Track	32.14(1)	—	32.14
Service Track	1.86(2)	39.38(3)	41.24
Connecting Trolley Bus Lines and Trolley Bus Storage	15.58	—	15.58
TOTAL NON-REVENUE MILES	49.58	39.38	88.96
TOTAL	1,903.64	210.51	2,114.15

NOTES:

(1) This mileage covers tracks located in public ways and streets which are isolated, tracks from which the electric service has been discontinued and tracks not used.

(2) This mileage covers tracks located at 78th & Vincennes yard and railroad track connection in South Shops plant.

(3) Includes 14.63 miles of main line storage track and 2.57 miles of freight gauntlet track, Evanston branch. Balance consists of track in yards and carhouses.

CHICAGO
TRANSIT
AUTHORITY

Operating Statistics for Fiscal Year

Ended December 25, 1965

	Surface System	Rapid Transit System	Combined System
REVENUES:	$106,901,958	$ 31,989,522	$138,891,480
PASSENGER TRAFFIC:			
Revenue Passengers	388,076,702	114,597,086	502,673,788
REVENUE VEHICLE MILES:			
Cars—Rapid	—	44,349,196	44,349,196
Trolley Coaches	16,546,012	—	16,546,012
Motor Buses	94,521,930	—	94,521,930
TOTAL REVENUE VEHICLE MILES	111,067,942	44,349,196	155,417,138
Revenue per Vehicle Mile	96.25c	72.13c	89.36c
EARNING REVENUE VEHICLE HOURS:			
Cars—Rapid	—	(1)	—
Trolley Coaches	1,652,386	—	1,652,386
Motor Buses	8,594,315	—	8,594,315
TOTAL REVENUE VEHICLE HOURS	10,246,701	—	10,246,701
POWER STATISTICS:			
Direct Current Kilowatt Hours	63,250,748	209,078,919	272,329,667
Average Cost per Kilowatt Hour	—	—	1.883c
MOTOR BUS FUEL STATISTICS:			
Diesel Fuel—Gallons	8,052,000		
Average Miles per Gallon	4.173		
Average Cost per Mile	2.168c		
Propane Fuel—Gallons	26,616,000		
Average Miles per Gallon	2.289		
Average Cost per Mile	2.369c		

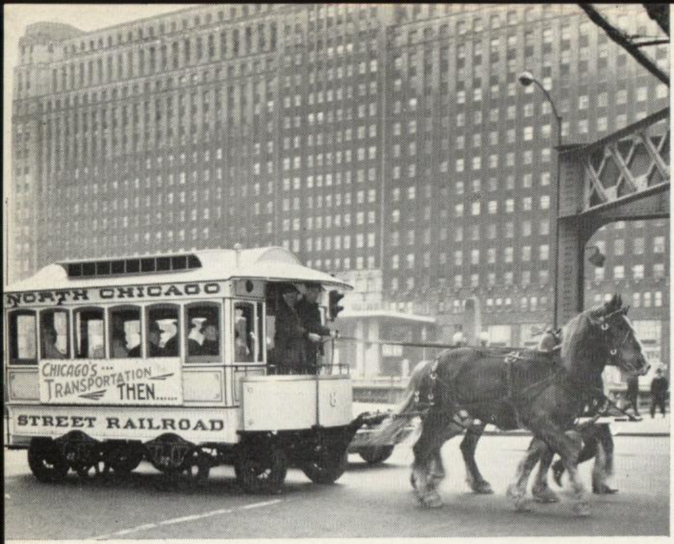
(1) Not Available

CHICAGO
TRANSIT
AUTHORITY

ROUTE AND TERMINAL CHANGES

Route	Effective Date	Description
51st	1-13-65	Off-street terminal at St. Louis Avenue placed in service.
26th-31st	2- 7-65	Owl service between Archer-Ashland and Calumet-26th discontinued. Saturday and weekday service during non-rush hours discontinued north of the terminal at Calumet-26th.
Southport	2- 8-65	Service discontinued on Saturdays and during non-rush hours on weekdays. New south terminal established via Webster-Clybourn-Southport.
Foster-Central	3-22-65	Weekday rush-hour service extended from Foster-Canfield via Foster, Canfield, Lawrence and Cumberland to the Irving Park terminal.
111th-115th	4-11-65	Expanded Sunday service to operate over entire route, as on weekdays.
South Kedzie	5-10-65	Off-street terminal on 115th Street at Springfield Avenue placed in service.
South Park	6-20-65	Service extended to new off-street terminal on South Park at Burnside Avenue (near 93rd Street).
47th	6-20-65	Converted from trolley bus to motor bus operation.
43rd-Root	6-21-65	Midday stockyard service discontinued west of Halsted Street.
South Cicero	8-12-65	Rerouted weekdays and Saturdays to operate through Ford City Shopping Plaza via 74th Place, Ford City Drive West, and 76th Street.
	8-29-65	Sunday service extended from 64th Street through Ford City Shopping Plaza to Scottsdale terminal (11 a.m. to 6 p.m.).
Vincennes-111th Express	9-13-65	Service expanded two trips later in a.m. rush, one trip earlier in p.m. rush.
Pershing Road	11-28-65	West terminal operation changed to loop via Pershing, Homan, 38th Street and St. Louis.

NOTE: These do not include numerous temporary service and route changes effected during the year.


NORTH CHICAGO
CHICAGO'S ... TRANSPORTATION THEN......
STREET RAILROAD

On April 23, to mark the 20th anniversary of CTA's authorization to operate local transportation in Chicago, members of Chicago Transit Board and CTA General Manager rode an 1860-vintage horsecar through downtown to the City Hall. Mayor Richard J. Daley (left) is at the reins and looking on are Board Chairman George L. DeMent and Alderman Vito Marzullo, chairman of the Chicago City Council Committee on Local Transportation. CTA's latest buses (below) were introduced to the public on the 20th anniversary also, when free "courtesy rides" were given in the downtown area.

FREE COURTESY RIDE FREE
1965
3094
FREE

CHICAGO
FREE COURTESY RIDE FREE
1965
3086
FREE
CHICAGO
250 NEW CTA BUSES

HIGHLIGHTS - 1945-1965

1945	**Apr. 12**	Metropolitan Transit Authority Act, creating Chicago Transit Authority, approved by the Governor of the State of Illinois.
	Apr. 23	Authorization by Chicago City Council for CTA to operate local transportation.
	June 4	Metropolitan Transit Authority Act approved by referendum.
	June 28	First meeting of Chicago Transit Board.
	Dec. 11	Placed first of a series of orders for 1,275 new transit vehicles using capital obtained by CTA from Chicago Surface Lines renewal funds.
1946	**July 29**	First major streetcar route converted to bus operation (Montrose Avenue).
1947	**Oct. 1**	Purchase of Chicago Rapid Transit Company and Chicago Surface Lines. CTA became an operating entity.
1948	**Apr. 5**	Inaugurated first rapid transit skip-stop service (Lake route).
1949	**Dec. 4**	New Beverly bus garage opened (1343 W. 103rd Street).
1950	**May 28**	New North Park bus garage opened (3112 W. Foster Ave.).
	July 27	500 propane-fueled buses ordered—the largest propane bus order in world transit history.
	Sept. 7	349 trolley buses ordered—largest United States trolley bus order.
1951	**Feb. 25**	Milwaukee - Dearborn - Congress subway opened.
1952	**Oct. 1**	Purchase of Chicago Motor Coach Company.
1953	**Oct. 1**	Purchase of Chicago, Milwaukee, St. Paul and Pacific Railroad's right-of-way between Montrose Avenue, Chicago, and Linden Avenue, Wilmette.
1954	**Jan. 7**	Purchase of Chicago, Aurora and Elgin Railway's right-of-way between Laramie Avenue, Chicago, and Desplaines Avenue, Forest Park.
	May 30	Last old red streetcar operated.
1955	**Dec. 4**	New Forest Glen bus garage opened (5304 W. Armstrong Avenue).
1957	**Dec. 1**	Last wood-steel rapid transit car retired.
1958	**June 21**	Last streetcar operated (Wentworth Avenue).
	June 22	Congress operation inaugurated in median of Eisenhower (Congress) Expressway.
1959	**July 3**	Completed initial equipment modernization program (4,256 units delivered to date).
1960	**Dec. 8**	Order placed for 300 "New Look" buses.
1961	**Apr. 19**	Began four-track operation through the Wilson Avenue station area (North-South rapid transit route).
1962	**July 27**	Congress terminal rapid transit inspection shop opened.
	Oct. 28	Elevation of Lake rapid transit route between Laramie Avenue, Chicago, and Harlem Avenue, Forest Park.
1963	**June 13**	Fleet of 180 air-conditioned rapid transit cars ordered.
	Oct. 1	New South Shops facilities opened (7801 S. Vincennes Avenue).
	Dec. 30	Purchase of North Shore Railway's right-of-way between Howard Street, Chicago, and Dempster Street, Skokie.
1964	**Apr. 20**	Skokie Swift service inaugurated.
1965	**June 7**	Began operating 10 air-conditioned buses (Vincennes-111th Express).
	Aug. 18	Governor Otto H. Kerner signed bill to reimburse Chicago Transit Authority for transporting school children at reduced fare.

METROPOLITAN
TRANSIT
CTA